MARLBORO VAN PROGRAM
SEPTEMBER 11, 1995

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

1995 REVIEW

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

VANS HAVE ABOVE AVERAGE PURCHASE

	Convenience	Mega
# Stores visited	23,578	502
# Contacts	1,874,859	42,075
# Surveys	1,554,333	31,938
Surveys/Store	66	64
Cartons Sold	853,669	42,416
Cartons/Store	36	84
Cartons/Survey	0.5	1.3
Average purchase	0.3	0.9

Source: Powerforce 8/20/95
NPD Panel 3/12-5/28/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

VANS SURVEYS SKEW MALE

	Age	Vans	Marlboro	Index
MALE				
	21-24	10%	6%	167
	25-34	23%	23%	100
	35+	27%	30%	90
FEMALE				
	21-24	6%	5%	120
	25-34	15%	17%	88
	35+	17%	21%	81

SOURCE: Rapid Response Database 8/14/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

CONVENIENCE IS ON TARGET WITH 1995 INCENTIVE USAGE

Convenience	Ordered	% Utilized
2 Pack	584,891	61
3 Pack	412,444	58
5 Pack	539,108	53
1 Carton	313,797	75
2 Carton	299,552	48
Total	2,111,268	59
Weeks in Program	14	64

SOURCE: Powerforce 8/20/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

ANTICIPATE SUBSTANTIAL INVENTORIES ON MEGA INCENTIVES

Mega	Ordered	% Utilized
2 Carton	152,916	10
3 Carton	103,300	16
5 Carton	141,984	4
7 Carton	130,100	4
Total	528,300	8
Weeks in Program	14	64

Source: Powerforce 8/20/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

MEGA PROGRAM COULD BE AFFECTED BY CASH OUTLAY

	OUTLAY
2 Carton Purchase	$33.66
3 Carton Purchase	$50.49
5 Carton Purchase	$84.15
7 Carton Purchase	$117.81

SOURCE: DATANET 13 week rolling price - $16.83

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

MARLBORO VAN PROGRAM

MEGA UNIVERSE IS SMALLER THAN PROJECTED

	Stores
Mega Retail Masters +800 CPW	**3,524**
- Pack	641
- Carton	2,883

SOURCE: ADS 7/25/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

LEARNING

- Average purchase - 5 pack at convenience stores and 1.4 carton at mega.
- Van surveys skew male.
- Mega program not working as planned.
- Mega category consists of pack and carton categories.

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

1996 PROGRAM

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

OBJECTIVES

- Generate names (YAS emphasis)
- Create breakthrough visibility
- Increase Thunder awareness
- Maintain strong retailer relationship

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

MARLBORO VAN PROGRAM

STRATEGY

- **Broaden appeal of current program**
  - **explore different classes of trade**
  - **offer interactive promotional experience**
  - **offer incentives for Marlboro purchases**

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

PROPOSED PROGRAM OVERVIEW

- 400 vans
- 100 markets
- 16 weeks - 5/20/96 through 9/2/96
- 4.5 days/week
- 2 individuals/van

- Reach consumers via 3 components:
  - Convenience program
  - Tobacco Store program
  - Supermarket program

- Use incentives to provide instant gratification

- Bring Unlimited to consumers

- Add excitement to Unlimited II.

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

MARLBORO VAN PROGRAM

MARLBORO CONTRIBUTION BY COT

	Nielsen	STARS
Convenience/Gas	69%	57%
Supermarket/Grocery	20%	19%
Drug Store	6%	4%
Mass Merchandise	5%	7%
Other	0%	14%
	100%	100%

Source: Nielsen Integrated 5/95/STARS 9/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

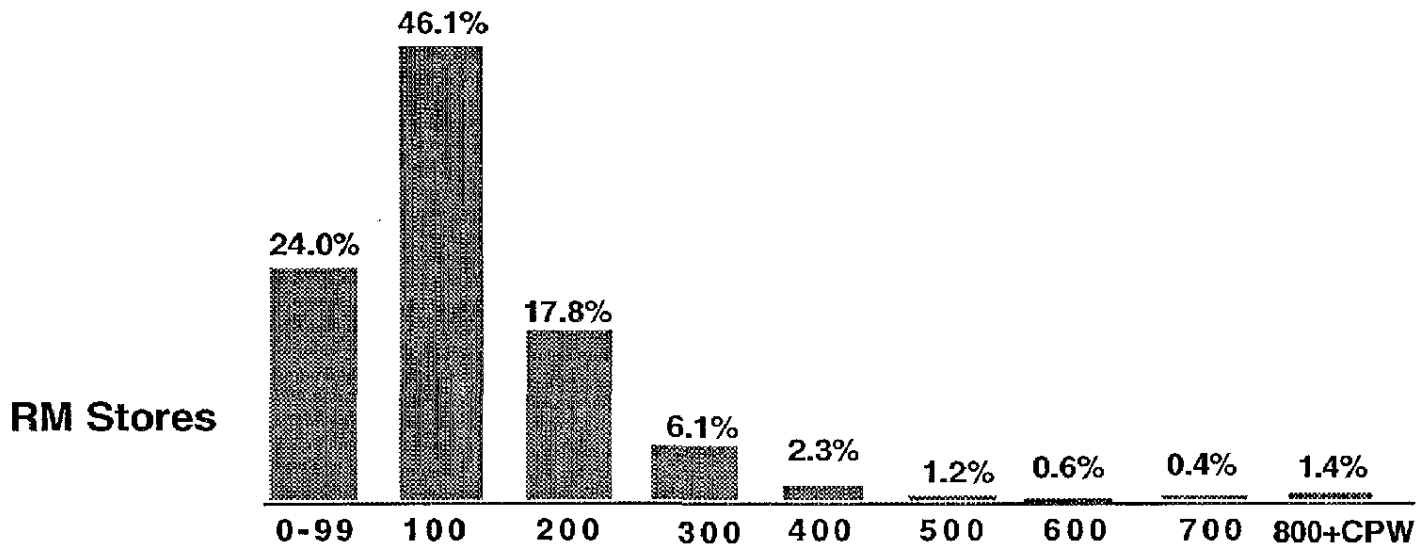
RETAIL MASTER STORE COUNT

Convenience Like	75,391
Mega Like	1,467
Supermarket Like	34,413
Other	358

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

CONVENIENCE LIKE - 75% OF STORES HAVE A CPW BETWEEN 100-400

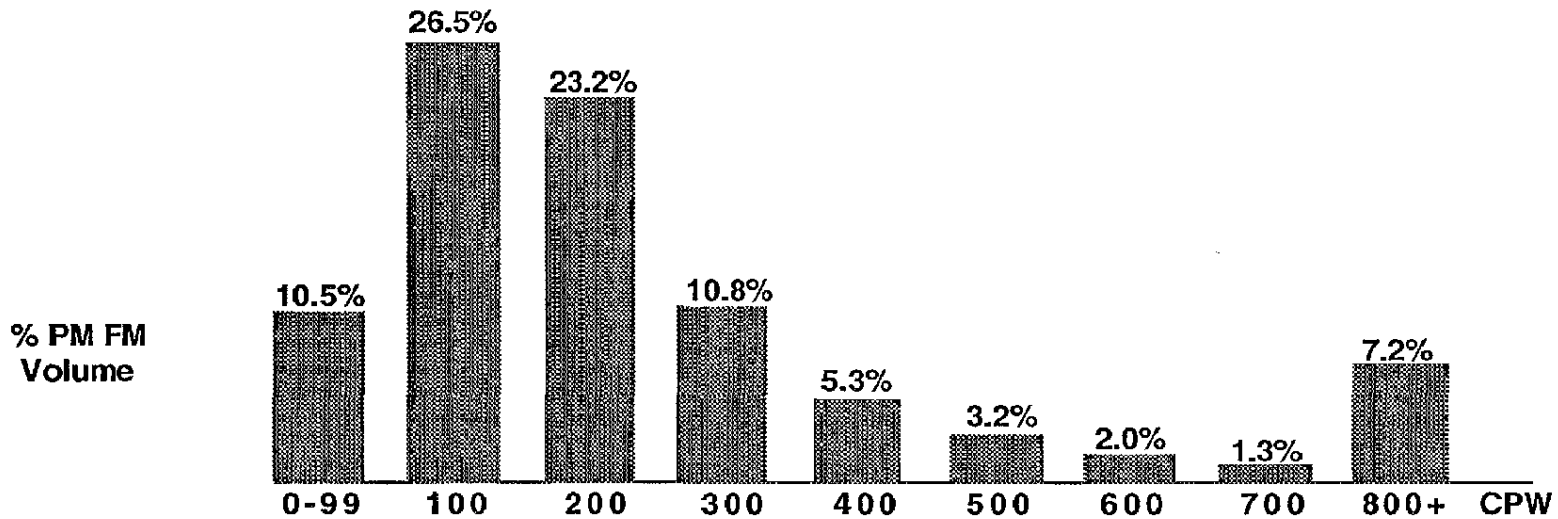


Source: Space 7/23/95

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

MARLBORO VAN PROGRAM

CONVENIENCE LIKE- THIS REPRESENTS 66% OF PM's FM VOLUME



Source: Space 7/23/95

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

MARLBORO VAN PROGRAM

CONVENIENCE LIKE PROGRAM

Elements:

- **Provide incentives for Marlboro 2 pack, 3 pack, 5 pack, 1 carton and 2 carton purchases.**

- **Offer 2-3 minute "Catch That Train" interactive promotion. Highest daily score wins prize.**

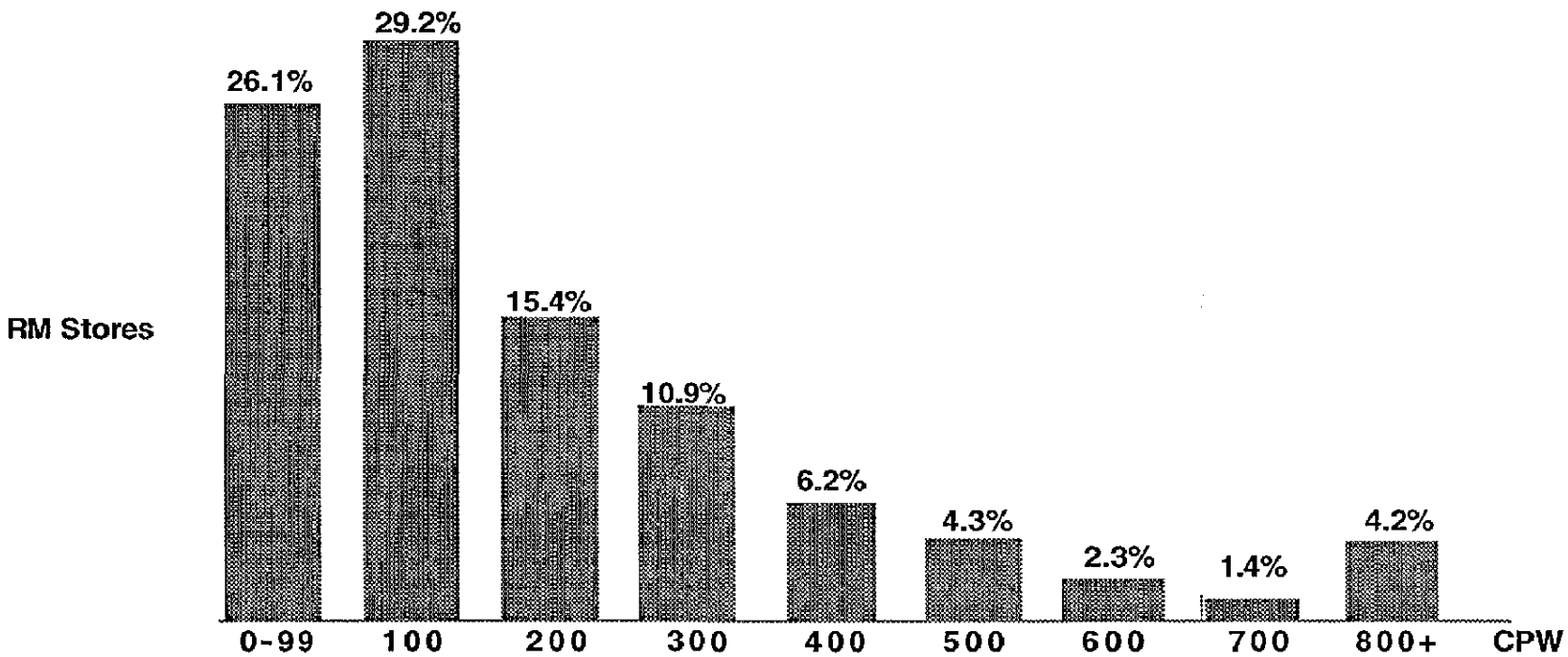
Rationale:

- **Limit rewards for normal purchase**
- **Broaden program appeal**
- **Increase reach**
- **Generate competitive names**
- **Convey newness**
- **Appeal to YAS**

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

MARLBORO VAN PROGRAM

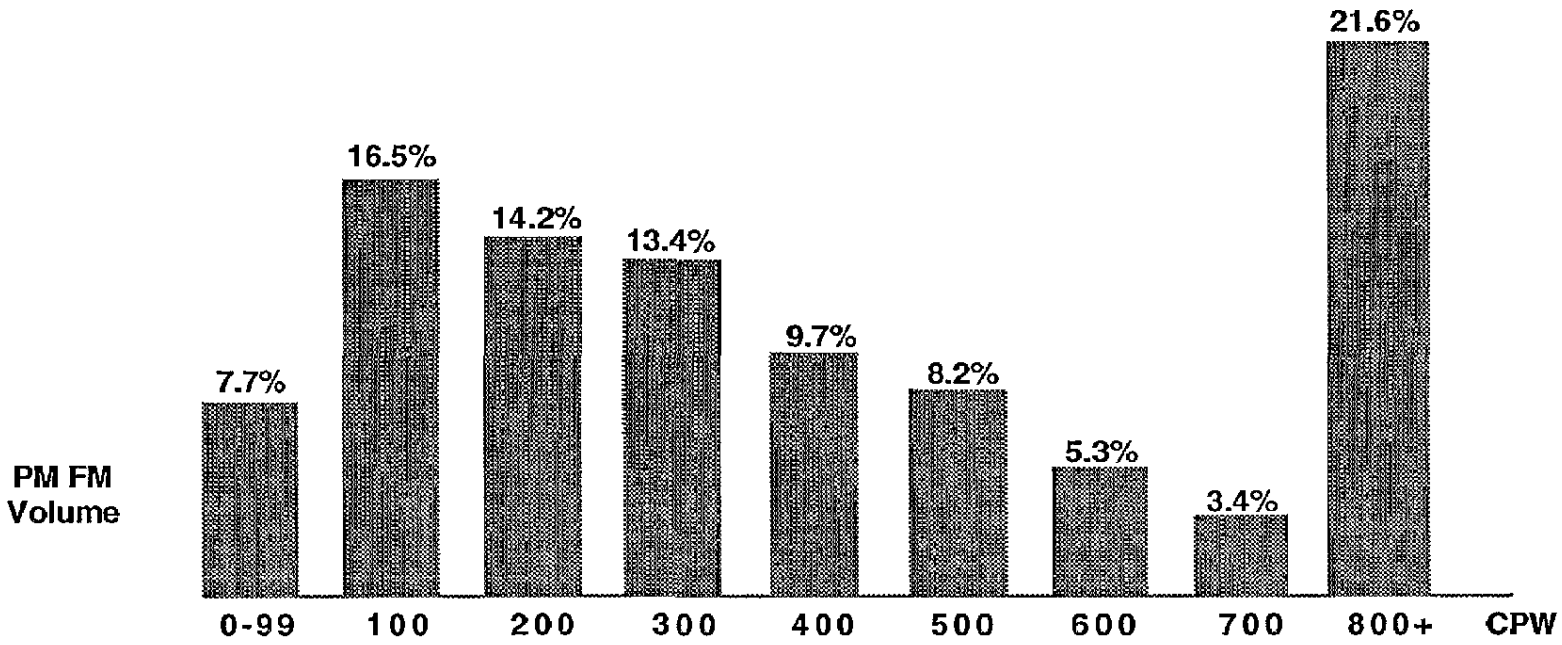
SUPERMARKET LIKE - 62% OF STORES HAVE 100-400 CPW



Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

SUPERMARKET LIKE - 50% OF VOLUME IN STORES WITH +400 CPW



Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

SUPERMARKET LIKE PROGRAM

Elements:

- Offer incentives for Marlboro 2 pack, 3 pack, 5 pack, 1 carton and 2 carton purchases.
- Provide different incentives from convenience program.

Rationale:

- Appeal to supermarket audience
- Reward Marlboro carton purchase
- Generate new names
- Broaden appeal of program
- Increase awareness of Unlimited program

Issues:

- 1996 Retail Masers Contracts - number of RM stores is expected to decrease

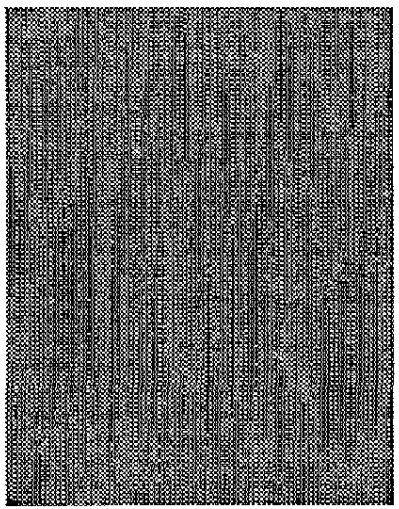
- Retailer acceptance - need to pre-sell at chain HQ level.

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

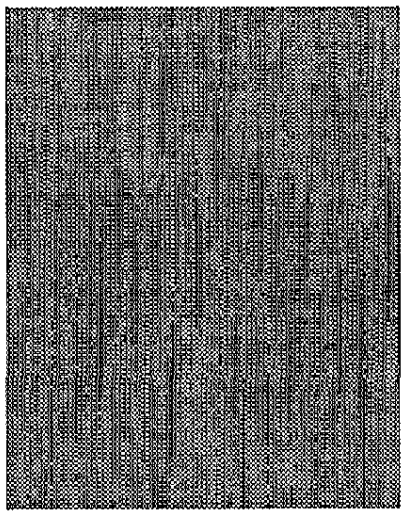
MEGA CARTON STORES REPRESENT 2% OF RM STORES BUT MOVE 10% OF VOLUME.

2%



RM Stores
117M

10%



PM FM Volume

Mega carton = Tobacco & Convience & Other 600+CPW

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

TOBACCO STORE PROGRAM

Elements:

- Obtain list of 2058 stores and schedule.
- Provide incentives for Marlboro 2, 3 carton and 5 carton purchases.
- Offer 2-3 minute "Catch The Train" interactive promotion. Highest daily score wins prize.

Rationale:

- Provide offer within cash flow possibility
- Limit rewards for normal purchase
- Broaden appeal
- Increase reach
- Generate competitive names

Issues:

- Obtain execution according to plan.

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

VEHICLE DECISION

- Lumina
- Truck with cover
- Current van

New Vehicle Pro

- Refresh look
- Optimize train look
- Centralize decaling

New Vehicle Con

- Established equity
- Reduced cargo space
- Locked into train look

Source: https://www.industrydocuments.ucsf.edu/docs/lndy0004

2041137028

MARLBORO VAN PROGRAM

VAN BUDGET

	1996 (MM)	1995 (MM)
Softward Development (Media Circus) - playstation	$3.0	--
Kiosks Lease 401 units	2.5	1.3
Powerforce/Vans	14.0	16.7
Incentives	6.5	9.3
POS	0.3	2.8
Miscellaneous	2.0	2.4
TOTAL	$28.3	$32.5

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

TIMELINE

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

BACKUP

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004

MARLBORO VAN PROGRAM

CURRENT MENU

Level	Items	% Used	# Used
2 Pack	Lighter	82%	245,023
	Beverage Cooler	39%	110,003
3 Pack	Freezer Mug	84%	129,508
	Cap	42%	108,848
5 Pack	T-shirt White	67%	180,677
	T-shirt Black	40%	104,935
1 Carton	Sand Chair	NA	10,802
	Beach Towel	68%	152,664
	BBQ Set	90%	72,658
2 Carton	Duffle	60%	74,395
	Cooler	43%	74,951
	Umbrella	10%	15,278
3 Carton	Shaving Kit	16%	16,644
5 Carton	Tool Kit	4%	5,644
7 Carton	Gear Bag	4%	5,677

SOURCE: Powerforce 8/20/95

Source: https://www.industrydocuments.ucsf.edu/docs/lhdy0004